



ADDENDUM

CITY OF CALIFORNIA CITY CITY COUNCIL

Tuesday May 1, 2018 @ 5:30 p.m.

CLOSED SESSION

CS 1. Pursuant to Cal Gov't Code §54956.9(d)(2): Potential Litigation (1) Case

CONTINUED BUSINESS

CB 1. Special Election for Parcel Tax – City Manager Stockwell

Recommendation

Council discuss, take public comment and direct staff

The following items were added to the City Council agenda after publishing and posting, but more than 24 hours before the meeting.

CITY COUNCIL

May 1, 2018

TO: Mayor and City Council

FROM: Robert Stockwell, City Manager

SUBJECT: Special Election for Parcel Tax

BACKGROUND: On April 10, 2018 the voters of California City defeated Measure B which would have imposed a \$150.00 per parcel tax. Since the election there has been much discussion about why the measure failed and dismay at the consequences of losing the revenue to support police and fire services for at least one year. At least two citizen groups have begun working on a voter-initiated parcel tax measure that could be placed on the November 2018 general election. One of these groups has prepared and submitted an initiative that would set (1) a \$182.50 (\$.50 per day) parcel tax divided equally 50% police and 50% fire and code enforcement, and (2) for 6 years, and (3) with a formula to reduce the parcel tax each year by 90% of the growth in sales and use taxes, property tax, and cannabis taxes beginning in FY 2019.

Council had directed staff to examine all possible actions that could be taken to minimize the impacts of the loss of the parcel tax. As a result, the City Attorney has found an exception in the election code that allows cities to schedule and conduct elections on their own. In this case the City Council may call a special election for the purpose of considering a modified version of the parcel tax. The election must be held on July 31, 2018 and must be called by the Council no later than Friday May 4, 2018.

The language of the citizen initiative, as noted above, was the result of negotiations between individuals who had supported and opposed Measure B. Should Council decide to call the special election it could adopt the language of the initiative or adopt language of its own. All costs of the election would be born directly by the city. Estimates at this point are in the \$50-60,000.00 range due having to pay all costs including printing mailing, staffing, counting, certification of results, and retaining the services of a person experienced in conducting municipal elections. Final estimates will be available by Tuesday's Council meeting.

Given the dire impact of losing the 2018-2019 parcel tax revenue and the uncertainty of voter approval in November 2018, should the initiative qualify for the ballot, staff feels the option of taking the parcel tax, in generally the form written by the citizens group or as modified by the Council should be pursued.

RECOMMENDATION: Direct the City Attorney to draft the required ordinance and resolution to call a special election for July 31, 2018 to consider adopting a parcel tax with the following provisions effective for the 2018-2019 Fiscal Year (August 2018):

Tax – either \$150.00 or \$182.50 per parcel

Duration – 6 years or until reduced or rescinded by the City Council whichever occurs first.

Use of Tax – Police, Fire and Code Enforcement only **or** divided equally 50% Police and 50% Fire and Code Enforcement.

Reduction in Parcel Tax beginning in FY 2019-2020 of 90% of the growth in sales and use taxes, property tax and cannabis taxes collected through June 30, 2019 and adjusted each year until the tax is eliminated or six years whichever occurs first.

FISCAL AND ENVIRONMENTAL IMPACT: Approximately \$50-60,000.00 for special election. Failure to enact the proposed parcel tax results in the loss of \$6-7,000,000.00 annually to support Police, Fire and Code Enforcement.